Do good, better.

CAP Debt Help

christians against poverty

CAP

Christians Against Poverty
CAP Debt Help

Impact Lab GoodMeasure Report
September 2020

ImpactLab

**Impact Lab
GoodMeasure Report**
Wellington, New Zealand

**Prepared for:
Christians Against Poverty
CAP Debt Help**

September, 2020

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Simplifying social impact measurement

I had the privilege in public life to work with people who understood the need for positive change in the lives of those around them and worked hard to achieve it.

Our social services do a tremendous job of bringing positive change to our most deserving individuals and communities. These organisations are built by volunteers and community workers who dedicate their lives to helping others.

Social service workers can see the positive impact of their work. Children thriving, families united, jobseekers in new employment and people empowered to change their life course.

With more tools they could do more good. I want to help them by finding ways to make sure that effort is recognised, results are measurable and they can make decisions about how to do more good.

Impact Lab grew from a desire to make available to community organisations tools that use the power of public information and the latest technology, so these organisations can change more lives.

By measuring social change and positive outcomes, Impact Lab enables charities and social service providers to speak the language of funders, investors and governments.

It has been a pleasure to work with Christians Against Poverty to learn how this organisation changes lives throughout New Zealand.

Calculating social value helps inform decision making and investment and enables you to do good, better.

Thank you for joining us on this journey.

Sir Bill English
Impact Lab Chairman

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Who we are

The team at Impact Lab share the goal of helping all organisations do good, better.

Our story

Our team at Impact Lab has seen the power of understanding social change. Our founders came together working in the public sector, where we led the development of new processes to link social value measurement with decision making. We believe that all organisations should be able to understand and improve their social impact. Our mission is to help impact creators and investors make decisions that change more lives.

Our team

To make better decisions, it's crucial to consider both the hard facts and the human stories that substantiate them. Our family of researchers, data scientists and statisticians are committed to combining powerful analytics with what you know works for your community.

Alongside expertise in data-driven decision making, our team brings a wealth of real-world experience. We are parents, teachers, volunteers and customers of social services.

Our partners

Impact Lab is proud to be partnering with trust company Perpetual Guardian. Together we are using GoodMeasure to improve strategic grantmaking and support collaboration with grantees by applying a consistent measurement framework.

◼ @impactlabnz

◼ Impact Lab Ltd

◼ @ImpactLabNZ

◼ www.impactlab.co.nz

The strength of Impact Lab is a real depth of experience in a public policy context. They understand what evidence would be helpful to enable us to make decisions for the future"

– Debbie Sorenson, CEO, Pasifika Futures
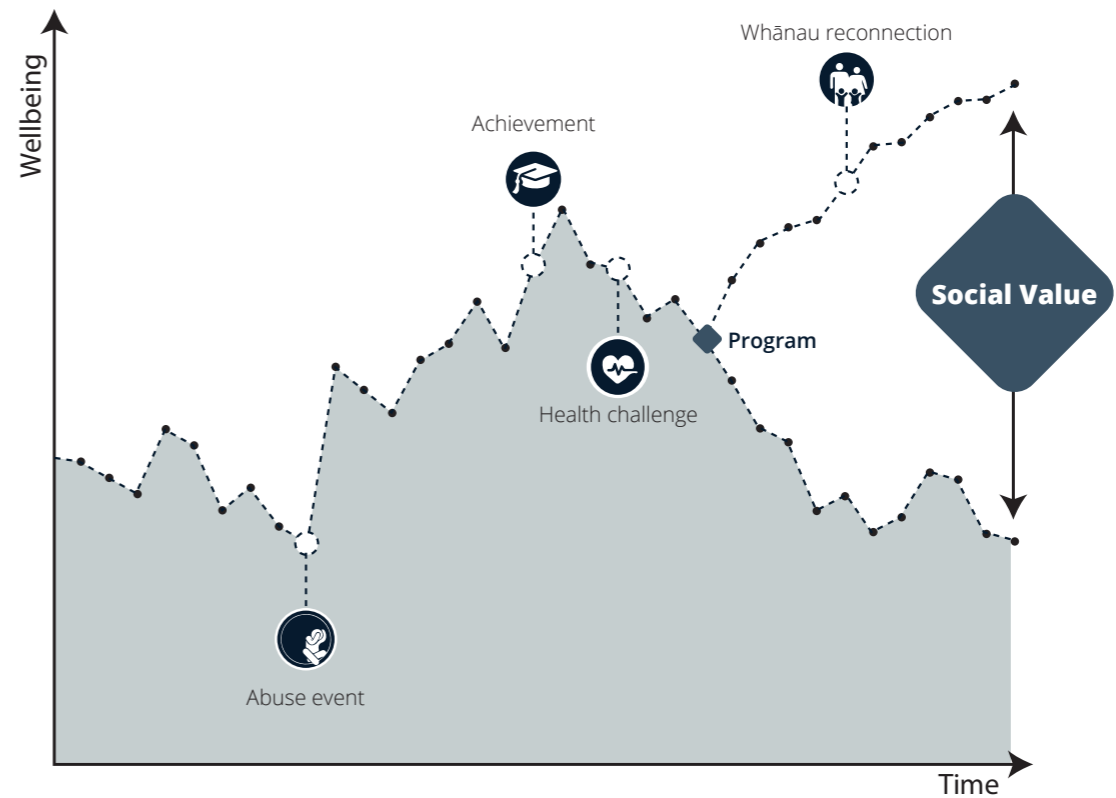
Understanding social value

Social value is the social impact in dollar terms that a program achieves for participants over their lifetime.

Throughout our lives, different events occur which impact our overall wellbeing trajectory. Impact Lab measures the impact on an individual's wellbeing across multiple domains when they're supported by a program to make positive changes in their life.

We measure this impact in terms of both positive benefits (such as increased income) and avoided costs to government

To calculate social value, we combine these impact values with

◆ Evidence from global literature about how effective a program can be

◆ The size of the opportunity for the people an organisation serves to achieve more positive outcomes,

◆ The number of people supported.

By combining these inputs, the social value calculation helps us understand how a program or intervention helps change lives for the better. We combine the social value with cost information to calculate a program's social return on investment.

How we measure social value

Our consistent approach to measurement enables comparisons across wellbeing domains and over time.

Map program dimensions

Impact Lab engages with providers to understand their people, their service and the outcomes they seek to achieve.

Clean and analyse data

Impact Lab uses the best of data about people's lives to understand what works, for whom, at what cost. We combine publicly available insights from the NZ Treasury, NZ Statistics and other sources. Impact values produced using Statistics NZ's Integrated Data Infrastructure are a particularly valuable resource. The IDI is a dataset containing information on every New Zealander about many areas of their lives – education, health, social welfare, employment and others. It's anonymised, so we can't identify anyone. This adds up to over 166 billion facts, for nine million New Zealanders (some have left the country, and some have passed on), for more than a generation of us.

Collect and synthesize literature

Impact Lab draws on the best academic impact literature from around the world. We access globally screened evidence from top universities and governments to estimate how impactful a program can be. We also identify service delivery model features associated with the most effective programs.

Calculate impact

Our algorithm combines New Zealanders' life experiences, with the wisdom about what works from the brightest minds across the world, with what we know about need in communities.

This combination of system level insights and grassroots know-how means we can consistently calculate the expected impact of a program, and the social return on investment.
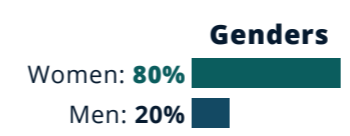
Map social value to frameworks

Because we start with individuals' experience, we can organise our insights into the relevant government and international frameworks. The Living Standards Framework is the New Zealand Treasury's way of systematising wellbeing. It has four 'capitals' – social capital, financial and physical capital, human capital and natural capital. Impact Lab's GoodMeasure tool links the social value and return on investment created to domains within human capital.

We can also map social value and return on investment to the relevant OECD Sustainable Development Goals.

Range
907
Client families

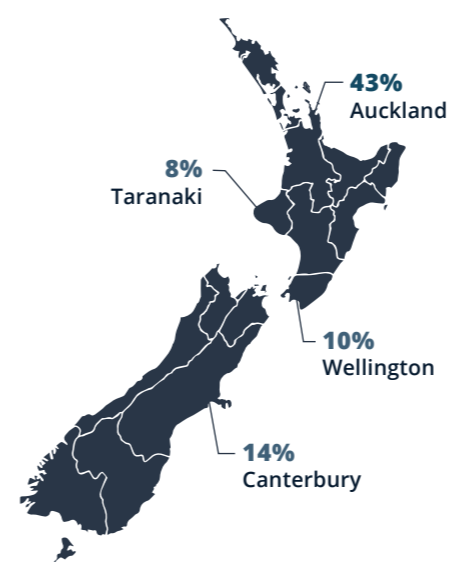| **Completions** |
|---|
| **Typical time to debt-free** |
| 18 months |
| **Debt free** |
| 271 families |
| **Positive exit** |
| (CAP client able to self-manage debt) |
| 81 families |

Ethnicity

14%
Other

30%
Maori

29%
NZ European

27%
Pacific Islander

Genders

Women: **80%**

Men: **20%**
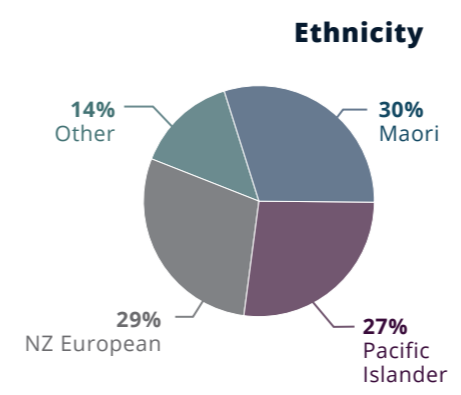
Average Client Debt
$28,000

Location:
New Zealand wide

43%
Auckland

8%
Taranaki

10%
Wellington

14%
Canterbury

Christians Against Poverty's People

Christians Against Poverty's CAP Debt Help program releases families and individuals from the distress of unmanageable debt.

Christians Against Poverty's CAP Debt Help is a service for people wanting to resolve their unmanageable debts.

The program centres on a practical, structured approach to relieving debt. CAP tallies and classifies clients' debt, sets up a budget and a bank account for debt payments and manages the clients' creditors.

The main income for most people who use CAP Debt Help is some form of benefit. For a large group, a benefit is their sole income. Many are solo parents on fixed incomes. CAP Debt Help also supports people with high incomes but high debt who experience a chance in circumstances.

What CAP Debt Help clients share is an experience of the negative consequences of debt. Many report that their daily lived experience is determined or dominated by their debt. Debt has hurt or ended their relationships, devastated their mental health, and left them socially isolated. For many, paying debt, or interest on debt, has replaced essential household spending on things like food, electricity and necessities for their children. Fixed incomes mean many clients struggle to pay the principal of their debts. Many have incurred debt in order to pay existing debt.

People who apply for CAP Debt Help are typically at a point of crisis. CAP Debt Help is their final recourse to try and achieve financial stability and normalcy in their lives.

The work is supported by a team of skilled community members who act as CAP coaches and support friends. Head office case workers with appropriate training and capability can also provide debt management on behalf of clients.
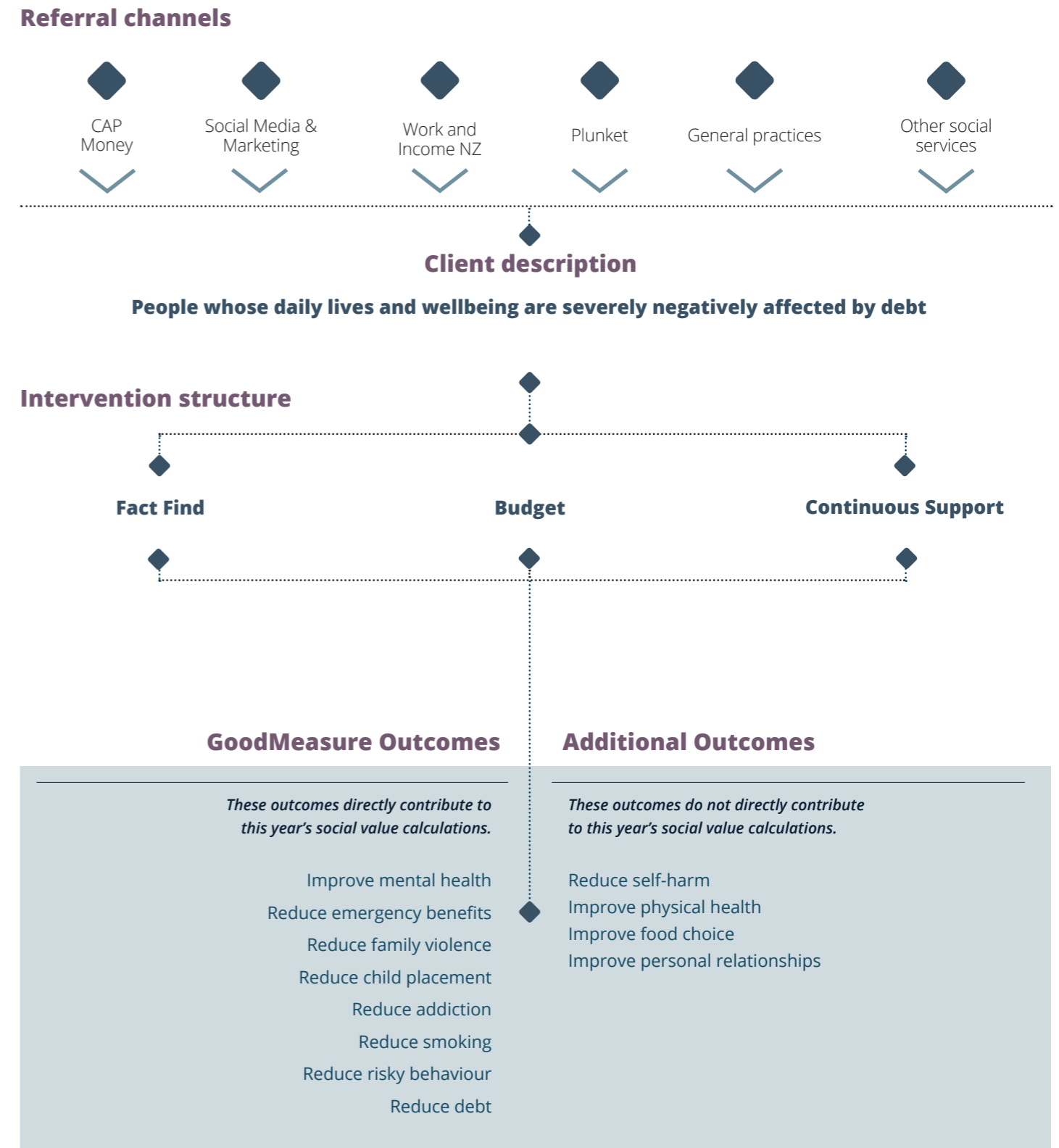
The change journey

CAP Debt Help supports people to exit from debt by providing them with debt management, budgeting assistance, and continuous social support.

Fact Find

Visit 1

A CAP Debt client contacts CAP.

CAP Debt coach gets client commitment in person or via phone.

Client provides paperwork and signs forms.

Visit 2

The CAP Debt coach and client complete a 'Fact Find form' given to CAP's head office team.

CAP contacts client's priority creditors. They are notified of CAP's work.

CAP helps the client open a new bank account if they are overdrawn or have credit card debt (CAP account) – solely for paying debt.

Clients on a benefit complete an Appointment of Agent form for CAP and take it to Work and Income.

Budget

Visit 3

A CAP Head Office Budget Solution Advisor creates a client budget.

CAP Coach explains the budget to the client.

The client starts to pay into their CAP account.

The coach helps the client complete a WINZ redirection or automatic payment form.

CAP takes responsibility for paying some creditors on behalf of CAP clients.

Money is set aside for a client's absolute necessities. Debts are prioritized from a remaining pool of money.

Continuous Support

CAP tries to renegotiate financing terms with priority creditors.

Priority creditors are:

- Utilities, because if the client doesn't pay, they lose services (rent, electricity, power).

- Secured debtors, because they can repossess the client's assets.

CAP clients pay into their CAP debt account.

After prioritising payment to priority creditors CAP assesses secondary creditors. Secondary debt is unsecured debt, or unrelated to utilities.

CAP asks creditors to reduce or stop penalty and interest charges – at their discretion.

CAP supports clients until they become debt-free via repayment or insolvency.

Clients stay with CAP as long as they keep paying into their CAP account.

Clients can seek support from their CAP debt coach and CAP support friend at any time. friend at any time.

Outcomes Map

The outcomes that CAP Debt Help aims to achieve and how these are reflected in the GoodMeasure calculation.

Referral channels

| CAP Money | Social Media & Marketing | Work and Income NZ | Plunket | General practices | Other social services |

Client description

People whose daily lives and wellbeing are severely negatively affected by debt

Intervention structure

Fact Find   **Budget**   **Continuous Support**

GoodMeasure Outcomes

These outcomes directly contribute to this year's social value calculations.

Improve mental health

Reduce emergency benefits

Reduce family violence

Reduce child placement

Reduce addiction

Reduce smoking

Reduce risky behaviour

Reduce debt

Additional Outcomes

These outcomes do not directly contribute to this year's social value calculations.

Reduce self-harm

Improve physical health

Improve food choice

Improve personal relationships

GoodMeasure results summary

Every year, CAP Debt Help delivers $14,388,781 of measurable good to New Zealand society.

CAP Debt Help's real-world value is even greater than this, as some outcomes such as improved social connectivity or increases in educational returns for children cannot yet be directly quantified with available data.

When we consider the operating costs of CAP Debt Help, we can calculate the social return on investment that is generated for every dollar that is invested in the program.

Social value generated for each participant:	**$9,895**
Measurable benefits as proportion of program cost:	**490%**
Cost of the program per participant:	**$1796**

The Living Standards Framework is a practical application of national and international research around measuring wellbeing.

It was designed drawing from the Organisation for Economic Co-operation and Development's (OECD) internationally recognised approach, in consultation with domestic and international experts, and the NZ public.
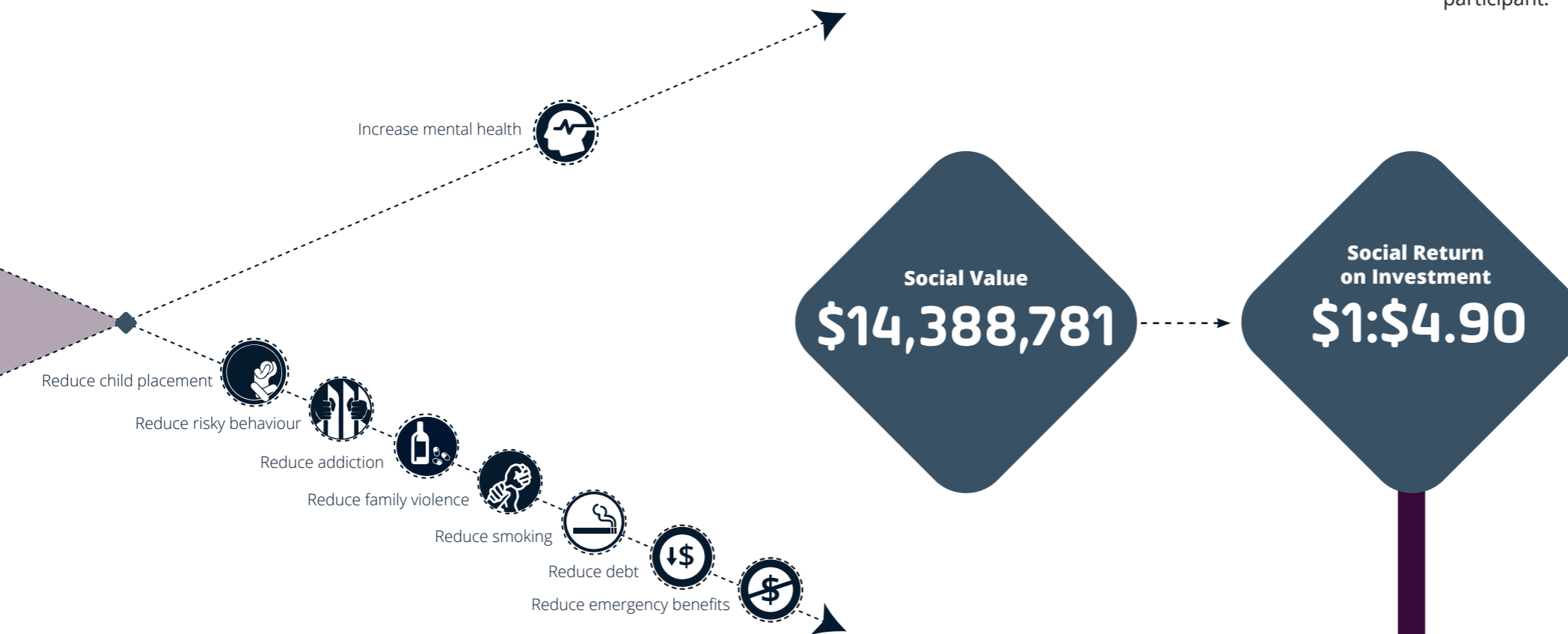
Definitions

Jobs and Earnings: Freedom from unemployment

Income and Consumption: People's disposable income

Health: People's mental and physical health

Safety: People's safety and security and freedom from risk of harm

Increase mental health

Reduce child placement
Reduce risky behaviour
Reduce addiction
Reduce family violence
Reduce smoking
Reduce debt
Reduce emergency benefits

Social Value
$14,388,781

Social Return on Investment
$1:$4.90

Net SROI — $3.90

Every dollar invested in CAP Debt Help — $1

This means that every dollar invested in CAP Debt Help delivers **$4.90** of measurable good to New Zealand.
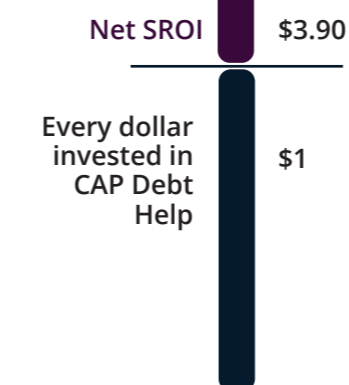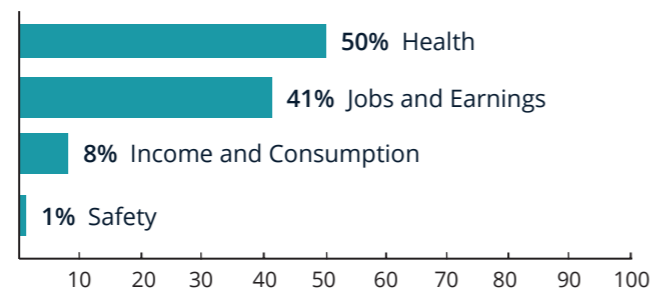
(Jan-Dec 2019)

Social value breakdown

CAP Debt Help creates social value across different aspects of people's lives.

This chart shows the breakdown of social value created according to the NZ Treasury Living Standards Framework. Each domain highlights a different aspect of wellbeing.

Social value by domain (%)

- 50% Health
- 41% Jobs and Earnings
- 8% Income and Consumption
- 1% Safety

10 20 30 40 50 60 70 80 90 100

GoodFeatures

GoodFeatures is a tool that allows service providers to compare the features of their unique service offerings to the features of effective practice in comparable programs identified in international academic literature.

◆ **Client Engagement**
- The program is centered on the specific financial issue that drove the client to seek financial assistance.
- The program teaches clients to have a negative attitude towards debt, alongside a long-term focus on a potential future without debt.
- Coaches are trained in the core skills of asking informed questions, monitoring, and helping clients refine their goals and strategies.
- The program creates repetitive change in financial behavior, rather than only addressing clients' deficits in financial knowledge.

◆ **Longevity**
- The program provides clients with a long-term relationship with the program over months and years.

◆ **Client relationship**
- The financial coaching relationship is trusting and collaborative, and characterised by warmth, support, and encouragement.

◆ **Self-concept**
- The program teaches clients self-compassion for the pattern of decisions and judgments that led to their debt.

◆ **Debt-terms**
- The program is able to negotiate lower interest terms on behalf of clients.

◆ **Debt-type**
- The program prioritises clients resolving mortgage debt before other forms of debt.
- The program trains coaches to identify and respond to harmful patterns of behavior which result from and create debt, particularly gambling, substance abuse, and domestic violence.

◆ **Restrictions**
- The program includes optional ways to temporarily restrict or limit clients' spending options for clients with acute mental health problems or records of compulsive and impulsive spending.
- The program provides clients with stable budget plans and reinforces to them the potential stability of their situation, regardless of their level of income.

References and further reading

In compiling our reading lists we consider a wide variety of topics, focussing on specific aspects of service delivery or outcome attainment. Here are a selection of readings that may be of interest.

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GoodMeasure
by **ImpactLab**

Whether you're funding change-making organisations or delivering the services that make a difference, GoodMeasure simplifies impact measurement so you can learn what works and make a bigger impact.

We take great pride in providing a research process that our customers can trust. GoodMeasure's power comes from calculations using multiple reputable data sources, including the Treasury Living Standards Framework for Wellbeing. GoodMeasure also uses the best of the worldwide evidence about what works. This includes published literature and evidence databases from world renowned academics and impact organisations.

Contact us

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Our team

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Sir Bill English
Impact Lab Chairman

Understanding social value

Throughout our lives, different events occur which impact our overall wellbeing trajectory. Impact Lab measures the impact on an individual's wellbeing across multiple domains when they're supported by a program to make positive changes in their life.

We measure this impact in terms of both positive benefits (such as increased income) and avoided costs to government.

To calculate social value, we combine these impact values with:

◆ Evidence from global literature about how effective a program can be,

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By combining these inputs, the social value calculation helps us understand how a program or intervention helps change lives for the better. We combine the social value with cost information to calculate a program's social return on investment.

Helping you do good, better.

GoodMeasure for CAP Debt Help

Every year, CAP Debt Help delivers $14,388,781 of measurable good to New Zealand society.

Understanding CAP Debt Help's Impact

The CAP Debt Help program is for people seeking relief from severe debt distress. Through CAP Debt Help, CAP identifies and organises households' debt, manages creditor relationships, and works with households until debts are discharged. By providing practical and emotional support, CAP frees its clients from the burden of debt.

What does CAP Debt Help do?

CAP Debt Help aims to help people struggling with debt to manage and resolve their debt.

Whom does CAP Debt Help serve?

CAP Debt Help works with individuals and families overwhelmed by debt, struggling to function day-to-day, and looking for a final resort to achieve financial stability. Caught in debt cycles, CAP Debt Help's clients are often socially isolated and suffering from a sense of hopelessness.

By working with clients' creditors and providing clients with budgets and emotional support, the program provides a structure to escape debt. The program is centered on identifying a clients' debts, budgeting, and managing the clients' creditor and legal relationships.
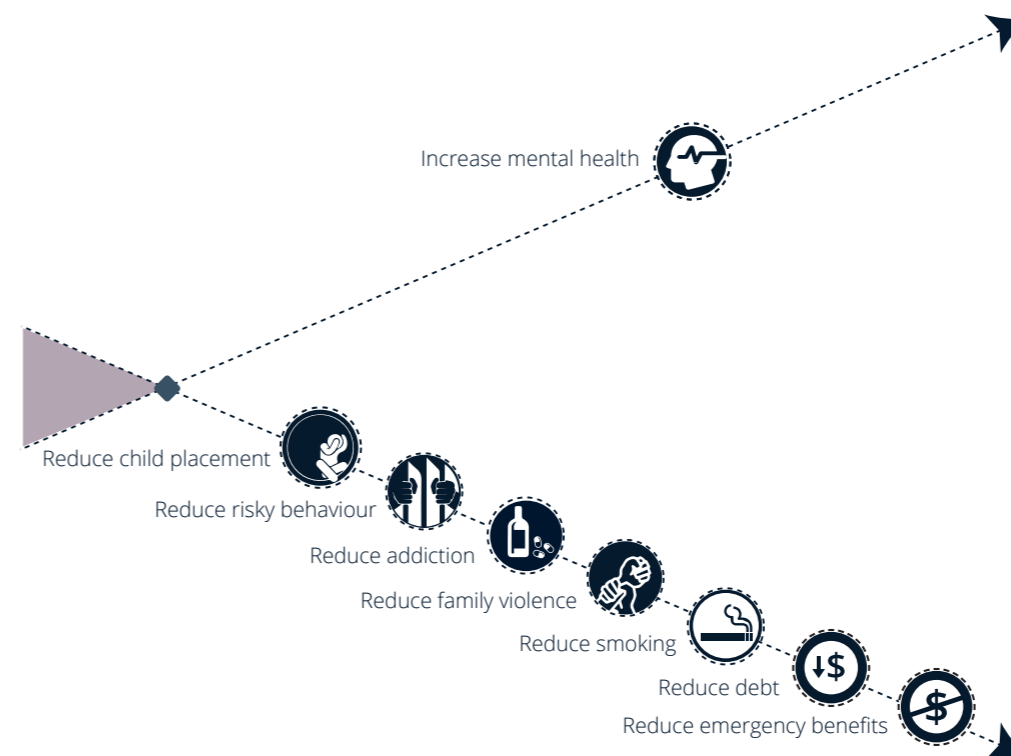
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Reduce child placement
Reduce risky behaviour
Reduce addiction
Reduce family violence
Reduce smoking
Reduce debt
Reduce emergency benefits

GoodMeasure outcomes

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Additional outcomes

These outcomes do not directly contribute to this year's social value calculations

Reduce self-harm
Improve physical health
Improve food choice
Improve personal relationships

CAP Debt Help's impact

Social Value
$14,388,781

Social value definition

Social value generated for each participant	$9,895
Measurable benefits as proportion of program cost	490%
Cost of the program per participant	$1796

When we take into account the operating costs of CAP Debt Help we can calculate the social return on investment that is generated for every dollar in the program.

Social Return on Investment
$1:$4.90

Every $1 invested in CAP Debt Help results in $4.90 returned to NZ
(Jan 19 – Dec 19)

Appendix

Below is a list of definitions of key terms contained in this report

Amount invested

The dollar amount that has been invested in a specific program, in New Zealand dollars.

Cost per person

The dollar amount invested in the program divided by the number of people supported by the program (include those who did not successfully complete it).

Domain

A domain is a way of dividing or filtering the subject and outcome material in your Impact Lab results. Impact Lab refer to domains as per the New Zealand Treasury's living standards framework domains.

Population

The group of people supported by the program, in terms of age, gender, and ethnicity.

Programs

The services delivered by the provider for the amount invested

Social ROI

This is the Social Return on Investment. It is calculated by comparing the social value generated bythe program to the amount invested in it

Social Value

The social impact in dollar terms that the amount invested achieves for participants over their lifetime. The social value is calculated by combining impact values with a service delivery quality score, with the size of the opportunity to support a population, and the number of people supported.

Attribution

Some data and information used in the Social ROI calculations is licensed undera Creative Commons Attribution 4.0 International (CC BY 4.0) license. It is attributed to the NZ Treasury.

Disclaimer

This disclaimer sets out important information about the scope of our (Impact Lab Limited) services. It should be read in conjunction with the contract that we have entered into with you (or your company/ organisation) for our services, including the applicable terms and conditions.

We have endeavoured to ensure that all material and information on GoodMeasure (including all ROI calculations and impact numbers) (together, the Information) is accurate and reliable. However, the Information is based on various sources, including information that you have provided to us, which we do not independently verify. Accordingly, we do not provide any representations or warranties in relation to any information, including any representations or warranties relating to the accuracy, adequacy, availability or completeness of the information or that it is suitable for your intended use. We do not provide advice or make any recommendations in relation to decisions, financial or otherwise, that you may make.